

# HOUSE BILL No. 1244

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 6-3.1.

**Synopsis:** Tax abatements. Permits a city, town, or county to approve property tax abatements anywhere within its jurisdiction (instead of limiting abatements to economic revitalization areas). Moves existing provisions concerning property tax abatements in residentially distressed areas to a new chapter. Repeals the prohibition against approving a statement of benefits for a property tax abatement after December 31, 2005.

**Effective:** July 1, 2005.

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**Ripley**

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January 6, 2005, read first time and referred to Committee on Ways and Means.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1244

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 6-1.1-12.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. For purposes of this chapter:

(+) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residentially distressed area, except as otherwise



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provided in this chapter.

(2) (1) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) (2) "New manufacturing equipment" means any tangible personal property which:

(A) was installed after February 28, 1983; and before January 1, 2006; in an area that is declared an economic revitalization area after February 28, 1983; in which a deduction for tangible personal property is allowed;

(B) is used in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(C) was acquired by its owner for use as described in clause (B) and was never before used by its owner for any purpose in Indiana.

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) (3) "Property" means a building or structure, but does not include land.

(5) (4) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) (5) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) (6) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the metropolitan development commission.

(8) (7) "Deduction application" means either:

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- 1 (A) the application filed in accordance with section 5 of this  
 2 chapter by a property owner who desires to obtain the  
 3 deduction provided by section 3 of this chapter; or  
 4 (B) the application filed in accordance with ~~section 5.5~~ **section**  
 5 **5.4** of this chapter by a person who desires to obtain the  
 6 deduction provided by section 4.5 of this chapter.
- 7 ~~(9) "Designation application" means an application that is filed~~  
 8 ~~with a designating body to assist that body in making a~~  
 9 ~~determination about whether a particular area should be~~  
 10 ~~designated as an economic revitalization area.~~
- 11 ~~(10)~~ **(8)** "Hazardous waste" has the meaning set forth in  
 12 IC 13-11-2-99(a). The term includes waste determined to be a  
 13 hazardous waste under IC 13-22-2-3(b).
- 14 ~~(11)~~ **(9)** "Solid waste" has the meaning set forth in  
 15 IC 13-11-2-205(a). However, the term does not include dead  
 16 animals or any animal solid or semisolid wastes.
- 17 ~~(12)~~ **(10)** "New research and development equipment" means  
 18 tangible personal property that:  
 19 (A) is installed after June 30, 2000; ~~and before January 1,~~  
 20 ~~2006; in an economic revitalization area in which a deduction~~  
 21 ~~for tangible personal property is allowed;~~  
 22 (B) consists of:  
 23 (i) laboratory equipment;  
 24 (ii) research and development equipment;  
 25 (iii) computers and computer software;  
 26 (iv) telecommunications equipment; or  
 27 (v) testing equipment;  
 28 (C) is used in research and development activities devoted  
 29 directly and exclusively to experimental or laboratory research  
 30 and development for new products, new uses of existing  
 31 products, or improving or testing existing products; and  
 32 (D) is acquired by the property owner for purposes described  
 33 in this subdivision and was never before used by the owner for  
 34 any purpose in Indiana.
- 35 The term does not include equipment installed in facilities used  
 36 for or in connection with efficiency surveys, management studies,  
 37 consumer surveys, economic surveys, advertising or promotion,  
 38 or research in connection with literacy, history, or similar  
 39 projects.
- 40 ~~(13)~~ **(11)** "New logistical distribution equipment" means tangible  
 41 personal property that:  
 42 (A) is installed after June 30, 2004, ~~and before January 1,~~

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2006; in an economic revitalization area:

(i) in which a deduction for tangible personal property is allowed; and

(ii) located in a county referred to in section 2.3 of this chapter; subject to section 2.3(c) of this chapter;

(B) consists of:

(i) racking equipment;

(ii) scanning or coding equipment;

(iii) separators;

(iv) conveyors;

(v) fork lifts or lifting equipment (including "walk behinds");

(vi) transitional moving equipment;

(vii) packaging equipment;

(viii) sorting and picking equipment; or

(ix) software for technology used in logistical distribution;

(C) is used for the storage or distribution of goods, services, or information; and

(D) before being used as described in clause (C), was never used by its owner for any purpose in Indiana.

(12) "New information technology equipment" means tangible personal property that:

(A) is installed after June 30, 2004, and before January 1, 2006; in an economic revitalization area:

(i) in which a deduction for tangible personal property is allowed; and

(ii) located in a county referred to in section 2.3 of this chapter; subject to section 2.3(c) of this chapter;

(B) consists of equipment, including software, used in the fields of:

(i) information processing;

(ii) office automation;

(iii) telecommunication facilities and networks;

(iv) informatics;

(v) network administration;

(vi) software development; and

(vii) fiber optics; and

(C) before being installed as described in clause (A), was never used by its owner for any purpose in Indiana.

SECTION 2. IC 6-1.1-12.1-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.5. This chapter does not apply**

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to a deduction for property located in a residentially distressed area established under IC 6-1.1-45.

SECTION 3. IC 6-1.1-12.1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A designating body may find that a particular area approve deductions under this chapter for the redevelopment or rehabilitation of property or the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment within its the designating body's jurisdiction. is an economic revitalization area. However, the designating body for a county may not approve a deduction provided by under this chapter for: economic revitalization areas not within a city or town shall not be available to retail businesses:

- (1) property or equipment located in a city or town; or
- (2) a retail business.

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

(1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.

(2) Any dwellings in the area are not permanently occupied and are:

- (A) the subject of an order issued under IC 36-7-9; or
- (B) evidencing significant building deficiencies.

(3) Parcels of property in the area:

- (A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or
- (B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the

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additional findings described in this subsection or one (1) of the additional findings described in subsection (c):

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land:

(2) A significant number of dwelling units within the area are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies:

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States:

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction:

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b):

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability:

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time:

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2-5 of this chapter:

(f) The property tax deductions provided by sections 3 and 4.5 of this chapter are only available within an area which the designating body finds to be an economic revitalization area:

(g) (b) The designating body may adopt a resolution establishing general standards to be used along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area: **approving**

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**deductions under this chapter.** The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following ~~three (3)~~ **two (2)** sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter. ~~for economic revitalization areas that are not residentially distressed areas.~~

~~(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.~~

~~(3) (2) One (1) relative to the deduction allowed under section 4.5 of this chapter.~~

~~(h) (c) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area.~~ **statement of benefits.** The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

~~(i) (d) In declaring an area an economic revitalization area approving a deduction under this chapter,~~ the designating body may:

~~(1) limit the time period to a certain number of calendar years during which the area shall be so designated;~~

~~(2) limit the type of deductions that will be allowed within the economic revitalization area to either the deduction allowed under section 3 of this chapter or the deduction allowed under section 4.5 of this chapter;~~

~~(3) (1) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;~~

~~(4) (2) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or after September 1, 1988; or~~

~~(5) (3) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g)~~

~~(b) for allowing the deduction for the redevelopment or rehabilitation of the property. or the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new~~

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information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under ~~section 2.5~~ **section 3 or 4.5** of this chapter.

(j) ~~Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:~~

(1) ~~prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed before January 1, 2006, but after the expiration of the economic revitalization area if:~~

(A) ~~the economic revitalization area designation expires after December 30, 1995; and~~

(B) ~~the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or~~

(2) ~~limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 4 or 4.5 of this chapter.~~

~~(k)~~ (e) ~~Notwithstanding any other provision of this chapter, deductions:~~

(1) ~~that are authorized under section 3 of this chapter for property in an area designated as an urban development area before March 1, 1983, and that are based on an increase in assessed valuation resulting from redevelopment or rehabilitation that occurs before March 1, 1983; or~~

(2) ~~that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;~~

~~apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction that is based on the location of property or new manufacturing equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before~~

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March 1, 1983.

**(f) If an application for the property tax deduction provided by this chapter is filed for property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), an the application for the property tax deduction provided by this chapter may not be approved unless the commission that designated the allocation area adopts a resolution approving the application.**

SECTION 4. IC 6-1.1-12.1-2.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.3. (a) This section applies only to:

(1) a county in which mile markers fourteen (14) through one hundred twenty (120) of Interstate Highway 69 are located as of March 1, 2004; and

(2) a city or town located in a county referred to in subdivision (1).

(b) A designating body may adopt a resolution under ~~section 2.5~~ **section 4.5** of this chapter to authorize a deduction for new logistical distribution equipment or new information technology equipment.

~~(c) If any amendment to this chapter that takes effect July 1, 2004, applies a deduction under this chapter for new logistical distribution equipment or new information technology equipment to a broader geographic area than the deduction that would apply under a resolution adopted under this section, the more broadly applied deduction controls with respect to the application of the deduction for new logistical distribution equipment or new information technology equipment.~~

SECTION 5. IC 6-1.1-12.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) **An applicant for a deduction under this chapter for the redevelopment or rehabilitation of property** must provide a statement of benefits to the designating body ~~if the designating body requires information from the applicant for economic revitalization area status for use in making its decision about whether to designate an economic revitalization area; the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:~~

(1) A description of the proposed redevelopment or rehabilitation.

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(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.

(3) An estimate of the value of the redevelopment or rehabilitation.

~~With the approval of the designating body, the statement of benefits may be incorporated in a designation application.~~ Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(b) The designating body must review the statement of benefits required under subsection (a). The designating body shall determine ~~whether an area should be designated an economic revitalization area~~ or whether a deduction should be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the value of the redevelopment or rehabilitation is reasonable for projects of that nature.

(2) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(4) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed described redevelopment or rehabilitation.

(5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not ~~designate an area an economic revitalization area~~ or approve a deduction unless the findings required by this subsection are made in the affirmative.

**(c) A designating body that makes the findings required by subsection (b) may adopt a resolution granting preliminary approval to a deduction for the redevelopment or rehabilitation of the property described in the statement of benefits. The resolution must include a description of the affected property and a determination of the number of years the deduction is allowed. After approval of the resolution, the designating body shall do the following:**

**(1) Publish notice of the adoption and substance of the**

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1 resolution in accordance with IC 5-3-1.

2 (2) File the following information with each taxing unit that  
3 has authority to levy property taxes upon property at the  
4 location described in the statement of benefits:

5 (A) A copy of the notice required by subdivision (1).

6 (B) A statement containing substantially the same  
7 information as a statement of benefits filed with the  
8 designating body.

9 The notice must state that a description of the affected property is  
10 available and can be inspected in the county assessor's office. The  
11 notice must also name a date when the designating body will  
12 receive and hear all remonstrances and objections from interested  
13 persons. The designating body shall file the information required  
14 by subdivision (2) with the officers of the taxing unit who are  
15 authorized to fix budgets, tax rates, and tax levies under  
16 IC 6-1.1-17-5 at least ten (10) days before the date of the public  
17 hearing. After considering the evidence, the designating body shall  
18 take final action determining whether the qualifications for a  
19 deduction for the redevelopment or rehabilitation of property have  
20 been met and confirming, modifying and confirming, or rescinding  
21 the preliminary resolution. The determination is final except that  
22 an appeal may be taken and heard as provided under subsections  
23 (d) and (e). The designating body shall send a certified copy of a  
24 resolution that is confirmed or modified and confirmed under this  
25 subsection to the county assessor and the county auditor.

26 (d) A person who filed a written remonstrance with the  
27 designating body under subsection (c) and who is aggrieved by the  
28 final action taken may, within ten (10) days after the final action,  
29 initiate an appeal of the action by filing in the office of the clerk of  
30 the circuit or superior court a copy of the order of the designating  
31 body and the person's remonstrance against the order, together  
32 with the person's bond conditioned to pay the costs of the appeal  
33 if the appeal is determined against the person. The only ground of  
34 appeal that the court may hear is whether the proposed project will  
35 meet the qualifications of this chapter concerning deductions for  
36 the redevelopment or rehabilitation of property. The burden of  
37 proof is on the appellant.

38 (e) An appeal under subsection (d) shall be promptly heard by  
39 the court without a jury. All remonstrances upon which an appeal  
40 has been taken shall be consolidated and heard and determined  
41 within thirty (30) days after the time of the filing of the appeal. The  
42 court shall hear evidence on the appeal and may confirm the final

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1 **action of the designating body or sustain the appeal. The judgment**  
 2 **of the court is final and conclusive, unless an appeal is taken as in**  
 3 **other civil actions.**

4 ~~(c)~~ Except as provided in subsections (a) through (b); **(f)** The owner  
 5 of property **for** which is located in an economic revitalization area is  
 6 entitled to a deduction from the assessed value of the property. If the  
 7 area is a residentially distressed area; the period is not more than five  
 8 ~~(5)~~ years. For all other economic revitalization areas designated a  
 9 **deduction was approved under this section** before July 1, 2000, the  
 10 **is entitled to that deduction for a period is of** three (3), six (6), or ten  
 11 ~~(10)~~ years. For all economic revitalization areas designated **deductions**  
 12 **approved under this section** after June 30, 2000, the period is the  
 13 number of years determined under subsection ~~(d)~~: **(g)**. The owner is  
 14 entitled to a deduction if:

15 (1) the property has been rehabilitated; or

16 (2) the property is located on real estate which has been  
 17 redeveloped.

18 The owner is entitled to the deduction for the first year, and any  
 19 successive year or years, in which an increase in assessed value  
 20 resulting from the rehabilitation or redevelopment occurs and for the  
 21 following years determined under subsection ~~(d)~~: **(g)**. However,  
 22 property owners who had an area designated an urban development  
 23 area pursuant to an application filed prior to January 1, 1979, are only  
 24 entitled to a deduction for a five (5) year period. In addition, property  
 25 owners who are entitled to a deduction under this chapter pursuant to  
 26 an application filed after December 31, 1978, and before January 1,  
 27 1986, are entitled to a deduction for a ten (10) year period.

28 ~~(d)~~ **(g)** For an area designated as an economic revitalization area a  
 29 **deduction approved under this section** after June 30, 2000, ~~that is not~~  
 30 ~~a residentially distressed area~~; the designating body shall determine the  
 31 number of years for which the property owner is entitled to ~~a~~ **the**  
 32 deduction. However, the deduction may not be allowed for more than  
 33 ten (10) years. ~~This~~ **If no determination shall be** ~~has been~~ made

34 ~~(1)~~ **by the designating body** as part of the resolution adopted  
 35 under ~~this section, 2-5 of this chapter; or~~

36 ~~(2)~~ **by the designating body shall adopt a** resolution ~~adopted~~  
 37 **making the determination** within sixty (60) days after receiving  
 38 a copy of a property owner's certified deduction application from  
 39 the county auditor. A certified copy of the resolution shall be sent  
 40 to the county auditor who shall make the deduction as provided  
 41 in section 5 of this chapter.

42 ~~A determination about the number of years the deduction is allowed~~

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that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2):

~~(e)~~ (h) Except for deductions related to redevelopment or rehabilitation of real property in a county containing a consolidated city or a deduction related to redevelopment or rehabilitation of real property initiated before December 31, 1987, in areas designated as economic revitalization areas before that date, a deduction for the redevelopment or rehabilitation of real property may not be approved for the following facilities:

- (1) Private or commercial golf course.
- (2) Country club.
- (3) Massage parlor.
- (4) Tennis club.
- (5) Skating facility (including roller skating, skateboarding, or ice skating).
- (6) Racquet sport facility (including any handball or racquetball court).
- (7) Hot tub facility.
- (8) Suntan facility.
- (9) Racetrack.
- (10) Any facility the primary purpose of which is:
  - (A) retail food and beverage service;
  - (B) automobile sales or service; or
  - (C) other retail;
 unless the facility is located in an economic development target area established under section 7 of this chapter.
- (11) Residential, unless:
  - (A) the facility is a multifamily facility that contains at least twenty percent (20%) of the units available for use by low and moderate income individuals; **or**
  - (B) the facility is located in an economic development target area established under section 7 of this chapter. **or**
  - ~~(C) the area is designated as a residentially distressed area.~~

(12) A package liquor store that holds a liquor dealer's permit under IC 7.1-3-10 or any other entity that is required to operate under a license issued under IC 7.1. This subdivision does not apply to an applicant that:

- (A) was eligible for tax abatement under this chapter before July 1, 1995;
- (B) is described in IC 7.1-5-7-11; or
- (C) operates a facility under:
  - (i) a beer wholesaler's permit under IC 7.1-3-3;

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(ii) a liquor wholesaler's permit under IC 7.1-3-8; or

(iii) a wine wholesaler's permit under IC 7.1-3-13;

for which the applicant claims a deduction under this chapter.

~~(f)~~ **(i)** This subsection applies only to a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000). Notwithstanding subsection ~~(e)(11)~~; **(h)(11)**, in a county subject to this subsection a designating body may, before September 1, 2000, approve a deduction under this chapter for the redevelopment or rehabilitation of real property consisting of residential facilities that are located in unincorporated areas of the county if the designating body makes a finding that the facilities are needed to serve any combination of the following:

(1) Elderly persons who are predominately low-income or moderate-income persons.

(2) Disabled persons.

A designating body may adopt an ordinance approving a deduction under this subsection only one (1) time. This subsection expires January 1, 2011.

SECTION 6. IC 6-1.1-12.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Except as provided in ~~section 2(i)(4)~~ **section 2(d)** of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

(1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by

(2) the percentage prescribed in the table set forth in subsection (d).

(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban

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development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	17%

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## (7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%

## (8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%

## (9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%

## (10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

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SECTION 7. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant **for a deduction under this chapter for the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment** must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will

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be converted into energy or other useful products by the new manufacturing equipment.

~~The statement of benefits may be incorporated in a designation application.~~ Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether ~~an area should be designated an economic revitalization area~~ or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result

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from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not ~~designate an area an economic revitalization area~~ or approve the deduction unless it makes the findings required by this subsection in the affirmative.

**(d) A designating body that makes the findings required by subsection (c) may adopt a resolution granting preliminary approval to a deduction for the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment described in the statement of benefits. The resolution must include a description of the equipment and a determination of the number of years the deduction is allowed. After approval of the resolution, the designating body shall do the following:**

**(1) Publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1.**

**(2) File the following information with each taxing unit that has authority to levy property taxes upon equipment at the location described in the statement of benefits:**

**(A) A copy of the notice required by subdivision (1).**

**(B) A statement containing substantially the same information as a statement of benefits filed with the designating body.**

The notice must state that a description of the affected property is available and can be inspected in the county assessor's office. The notice must also name a date when the designating body will receive and hear all remonstrances and objections from interested persons. The designating body shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. After considering the evidence, the designating body shall take final action determining whether the qualifications for a deduction for the redevelopment or rehabilitation of property have been met and confirming, modifying and confirming, or rescinding the preliminary resolution. The determination is final except that an appeal may be taken and heard as provided under subsections

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(e) and (f). The designating body shall send a certified copy of a resolution that is confirmed or modified and confirmed under this subsection to the county assessor and the county auditor.

(e) A person who filed a written remonstrance with the designating body under subsection (d) and who is aggrieved by the final action taken may, within ten (10) days after the final action, initiate an appeal of the action by filing in the office of the clerk of the circuit or superior court a copy of the order of the designating body and the person's remonstrance against the order, together with the person's bond conditioned to pay the costs of the appeal if the appeal is determined against the person. The only ground of appeal that the court may hear is whether the proposed project will meet the qualifications of this chapter concerning deductions for the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment. The burden of proof is on the appellant.

(f) An appeal under subsection (e) shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the final action of the designating body or sustain the appeal. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

~~(d)~~ (g) Except as provided in subsection ~~(h)~~; (k), an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection ~~(g)~~; (j). Except as provided in subsection ~~(f)~~ (i) and in ~~section 2(i)(3)~~ **section 2(d)** of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection ~~(e)~~; (h); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection ~~(e)~~; (h).

~~(e)~~ (h) The percentage to be used in calculating the deduction under

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1 subsection (d) (g) is as follows:

2 (1) For deductions allowed over a one (1) year period:

3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd and thereafter	0%

6 (2) For deductions allowed over a two (2) year period:

7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	50%
10	3rd and thereafter	0%

11 (3) For deductions allowed over a three (3) year period:

12	YEAR OF DEDUCTION	PERCENTAGE
13	1st	100%
14	2nd	66%
15	3rd	33%
16	4th and thereafter	0%

17 (4) For deductions allowed over a four (4) year period:

18	YEAR OF DEDUCTION	PERCENTAGE
19	1st	100%
20	2nd	75%
21	3rd	50%
22	4th	25%
23	5th and thereafter	0%

24 (5) For deductions allowed over a five (5) year period:

25	YEAR OF DEDUCTION	PERCENTAGE
26	1st	100%
27	2nd	80%
28	3rd	60%
29	4th	40%
30	5th	20%
31	6th and thereafter	0%

32 (6) For deductions allowed over a six (6) year period:

33	YEAR OF DEDUCTION	PERCENTAGE
34	1st	100%
35	2nd	85%
36	3rd	66%
37	4th	50%
38	5th	34%
39	6th	25%
40	7th and thereafter	0%

41 (7) For deductions allowed over a seven (7) year period:

42	YEAR OF DEDUCTION	PERCENTAGE
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1	1st	100%
2	2nd	85%
3	3rd	71%
4	4th	57%
5	5th	43%
6	6th	29%
7	7th	14%
8	8th and thereafter	0%

## (8) For deductions allowed over an eight (8) year period:

10	YEAR OF DEDUCTION	PERCENTAGE
11	1st	100%
12	2nd	88%
13	3rd	75%
14	4th	63%
15	5th	50%
16	6th	38%
17	7th	25%
18	8th	13%
19	9th and thereafter	0%

## (9) For deductions allowed over a nine (9) year period:

21	YEAR OF DEDUCTION	PERCENTAGE
22	1st	100%
23	2nd	88%
24	3rd	77%
25	4th	66%
26	5th	55%
27	6th	44%
28	7th	33%
29	8th	22%
30	9th	11%
31	10th and thereafter	0%

## (10) For deductions allowed over a ten (10) year period:

33	YEAR OF DEDUCTION	PERCENTAGE
34	1st	100%
35	2nd	90%
36	3rd	80%
37	4th	70%
38	5th	60%
39	6th	50%
40	7th	40%
41	8th	30%
42	9th	20%

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1	10th	10%
2	11th and thereafter	0%

3        ~~(f)~~ (i) With respect to new manufacturing equipment and new  
 4 research and development equipment installed before March 2, 2001,  
 5 the deduction under this section is the amount that causes the net  
 6 assessed value of the property after the application of the deduction  
 7 under this section to equal the net assessed value after the application  
 8 of the deduction under this section that results from computing:

9            (1) the deduction under this section as in effect on March 1, 2001;  
 10            and

11            (2) the assessed value of the property under 50 IAC 4.2, as in  
 12            effect on March 1, 2001, or, in the case of property subject to  
 13            IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

14        ~~(g)~~ (j) For an economic revitalization area designated a deduction  
 15 approved under this section before July 1, 2000, the designating body  
 16 shall determine whether a property owner whose statement of benefits  
 17 is approved after April 30, 1991, is entitled to a deduction for five (5)  
 18 or ten (10) years. For an economic revitalization area designated a  
 19 deduction approved under this section after June 30, 2000, the  
 20 designating body shall determine the number of years the deduction is  
 21 allowed. However, the deduction may not be allowed for more than ten  
 22 (10) years. This If no determination shall be has been made

23            ~~(1)~~ by the designating body as part of the resolution adopted  
 24            under section 2-5 of this chapter; or

25            ~~(2)~~ by subsection (d), the designating body shall adopt a  
 26            resolution adopted making the determination within sixty (60)  
 27            days after receiving a copy of a property owner's certified  
 28            deduction application from the county auditor. A certified copy of  
 29            the resolution shall be sent to the county auditor.

30        A determination about the number of years the deduction is allowed  
 31        that is made under subdivision (1) is final and may not be changed by  
 32        following the procedure under subdivision (2).

33        ~~(h)~~ (k) The owner of new manufacturing equipment that is directly  
 34        used to dispose of hazardous waste is not entitled to the deduction  
 35        provided by this section for a particular assessment year if during that  
 36        assessment year the owner:

37            (1) is convicted of a violation under IC 13-7-13-3 (repealed),  
 38            IC 13-7-13-4 (repealed), or IC 13-30-6; or

39            (2) is subject to an order or a consent decree with respect to  
 40            property located in Indiana based on a violation of a federal or  
 41            state rule, regulation, or statute governing the treatment, storage,  
 42            or disposal of hazardous wastes that had a major or moderate

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potential for harm.

SECTION 8. IC 6-1.1-12.1-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.6. (a) A designating body may adopt a resolution to authorize a property owner to relocate new manufacturing equipment for which a deduction is being granted under this chapter. The resolution may provide that the new manufacturing equipment may only be relocated to

(1) ~~a new location within the same economic revitalization area;~~  
or

(2) ~~a new location within a different economic revitalization area if the area is~~ within the jurisdiction of the designating body.

(b) Before adopting a resolution under this section, the designating body shall conduct a public hearing on the proposed resolution. Notice of the public hearing shall be published in accordance with IC 5-3-1. In addition, the designating body shall notify:

(1) each taxing unit ~~within the original and the new economic revitalization area in which the new manufacturing equipment is located;~~ and

(2) **each taxing unit in which the new manufacturing equipment would be located after the proposed relocation;**

of the proposed resolution, including the date and time of the public hearing. If a resolution is adopted under this section, the designating body shall deliver a copy of the adopted resolution to the county auditor within thirty (30) days after its adoption.

(c) New manufacturing equipment relocated under this section remains eligible for the assessed value deduction under this chapter. The same deduction percentage is to be applied as if the new manufacturing equipment had not been relocated.

SECTION 9. IC 6-1.1-12.1-4.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.7. (a) ~~Section 4.5(f)~~ **Section 4.5(i)** of this chapter does not apply to new manufacturing equipment located in a township having a population of more than four thousand (4,000) but less than seven thousand (7,000) located in a county having a population of more than forty thousand (40,000) but less than forty thousand nine hundred (40,900) if the total original cost of all new manufacturing equipment placed into service by the owner during the preceding sixty (60) months exceeds fifty million dollars (\$50,000,000), and ~~if the economic revitalization area in which the new manufacturing equipment was installed~~ **was in an economic revitalization area** approved by the designating body before September 1, 1994, **according to the provisions of this chapter as they existed on the date of that approval.**

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(b) ~~Section 4.5(f)~~ **Section 4.5(i)** of this chapter does not apply to new manufacturing equipment located in a county having a population of more than thirty-two thousand (32,000) but less than thirty-three thousand (33,000) if:

(1) the total original cost of all new manufacturing equipment placed into service in the county by the owner exceeds five hundred million dollars (\$500,000,000); and

(2) the ~~economic revitalization area in which the new manufacturing equipment was installed~~ **was in an economic revitalization area** approved by the designating body before January 1, 2001, **according to the provisions of this chapter as they existed on the date of that approval.**

(c) A deduction under ~~section 4.5(d)~~ **section 4.5(g)** of this chapter is not allowed with respect to new manufacturing equipment described in subsection (b) in the first year the deduction is claimed or in subsequent years as permitted by ~~section 4.5(d)~~ **section 4.5(g)** of this chapter to the extent the deduction would cause the assessed value of all real property and personal property of the owner in the taxing district to be less than the incremental net assessed value for that year.

(d) The following apply for purposes of subsection (c):

(1) A deduction under ~~section 4.5(d)~~ **section 4.5(g)** of this chapter shall be disallowed only with respect to new manufacturing equipment installed after March 1, 2000.

(2) "Incremental net assessed value" means the sum of:

(A) the net assessed value of real property and depreciable personal property from which property tax revenues are required to be held in trust and pledged for the benefit of the owners of bonds issued by the redevelopment commission of a county described in subsection (b) under resolutions adopted November 16, 1998, and July 13, 2000 (as amended November 27, 2000); plus

(B) fifty-four million four hundred eighty-one thousand seven hundred seventy dollars (\$54,481,770).

(3) The assessed value of real property and personal property of the owner shall be determined after the deductions provided by sections 3 and 4.5 of this chapter.

(4) The personal property of the owner shall include inventory.

(5) The amount of deductions provided by section 4.5 of this chapter with respect to new manufacturing equipment that was installed on or before March 1, 2000, shall be increased from thirty-three and one-third percent (33 1/3%) of true tax value to one hundred percent (100%) of true tax value for assessment

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1 dates after February 28, 2001.

2 (e) A deduction not fully allowed under subsection (c) in the first  
3 year the deduction is claimed or in a subsequent year permitted by  
4 section 4.5 of this chapter shall be carried over and allowed as a  
5 deduction in succeeding years. A deduction that is carried over to a  
6 year but is not allowed in that year under this subsection shall be  
7 carried over and allowed as a deduction in succeeding years. The  
8 following apply for purposes of this subsection:

9 (1) A deduction that is carried over to a succeeding year is not  
10 allowed in that year to the extent that the deduction, together  
11 with:

12 (A) deductions otherwise allowed under section 3 of this  
13 chapter;

14 (B) deductions otherwise allowed under section 4.5 of this  
15 chapter; and

16 (C) other deductions carried over to the year under this  
17 subsection;

18 would cause the assessed value of all real property and personal  
19 property of the owner in the taxing district to be less than the  
20 incremental net assessed value for that year.

21 (2) Each time a deduction is carried over to a succeeding year, the  
22 deduction shall be reduced by the amount of the deduction that  
23 was allowed in the immediately preceding year.

24 (3) A deduction may not be carried over to a succeeding year  
25 under this subsection if such year is after the period specified in  
26 ~~section 4.5(d)~~ **section 4.5(g)** of this chapter or the period  
27 specified in a resolution adopted by the designating body under  
28 ~~section 4.5(h)~~ **section 4.5(d)** of this chapter.

29 SECTION 10. IC 6-1.1-12.1-5 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A property owner  
31 who desires to obtain the deduction provided by section 3 of this  
32 chapter **for the redevelopment or rehabilitation of property** must  
33 file a certified deduction application, on forms prescribed by the  
34 department of local government finance, with the auditor of the county  
35 in which the property is located. Except as otherwise provided in  
36 subsection (b) or (e), the deduction application must be filed before  
37 May 10 of the year in which the addition to assessed valuation is made.

38 (b) If notice of the addition to assessed valuation or new assessment  
39 for any year is not given to the property owner before April 10 of that  
40 year, the deduction application required by this section may be filed not  
41 later than thirty (30) days after the date such a notice is mailed to the  
42 property owner at the address shown on the records of the township

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1 assessor.

2 (c) The deduction application required by this section must contain  
3 the following information:

4 (1) The name of the property owner.

5 (2) A description of the property for which a deduction is claimed  
6 in sufficient detail to afford identification.

7 (3) The assessed value of the improvements before rehabilitation.

8 (4) The increase in the assessed value of improvements resulting  
9 from the rehabilitation.

10 (5) The assessed value of the new structure in the case of  
11 redevelopment.

12 (6) The amount of the deduction claimed for the first year of the  
13 deduction.

14 ~~(7) If the deduction application is for a deduction in a~~  
15 ~~residentially distressed area, the assessed value of the~~  
16 ~~improvement or new structure for which the deduction is claimed.~~

17 (d) A deduction application filed under subsection (a) or (b) is  
18 applicable for the year in which the addition to assessed value or  
19 assessment of a new structure is made and in the following years the  
20 deduction is allowed without any additional deduction application  
21 being filed. However, property owners who had an area designated an  
22 urban development area pursuant to a deduction application filed prior  
23 to January 1, 1979, are only entitled to a deduction for a five (5) year  
24 period. In addition, property owners who are entitled to a deduction  
25 under this chapter pursuant to a deduction application filed after  
26 December 31, 1978, and before January 1, 1986, are entitled to a  
27 deduction for a ten (10) year period.

28 (e) A property owner who desires to obtain the deduction provided  
29 by section 3 of this chapter but who has failed to file a deduction  
30 application within the dates prescribed in subsection (a) or (b) may file  
31 a deduction application between March 1 and May 10 of a subsequent  
32 year which shall be applicable for the year filed and the subsequent  
33 years without any additional deduction application being filed for the  
34 amounts of the deduction which would be applicable to such years  
35 pursuant to section 4 of this chapter if such a deduction application had  
36 been filed in accordance with subsection (a) or (b).

37 (f) Subject to subsection (i), the county auditor shall ~~act as follows:~~

38 ~~(+) If a make the appropriate deduction in accordance with~~  
39 ~~the determination about the number of years the deduction is~~  
40 ~~allowed has been that is made in the resolution adopted under~~  
41 ~~section 2.5 section 3 of this chapter. the county auditor shall make~~  
42 ~~the appropriate deduction.~~

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(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under ~~section 2(g)~~ **section 2(b)** of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located review the deduction application.

(j) A property owner may appeal the determination of the county auditor under subsection (f) by filing a complaint in the office of the clerk of the circuit or superior court not more than forty-five (45) days after the county auditor gives the person notice of the determination.

SECTION 11. IC 6-1.1-12.1-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.1. (a) This subsection applies to

~~(1) all deductions under section 3 of this chapter for property located in a residentially distressed area; and~~

~~(2) any other deductions for which a statement of benefits was approved under section 3 of this chapter before July 1, 1991.~~

In addition to the requirements of section 5(c) of this chapter, a deduction application filed under section 5 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction application.

(b) This subsection applies to each deduction ~~(other than a deduction for property located in a residentially distressed area)~~ for

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1 which a statement of benefits was approved under section 3 of this  
 2 chapter after June 30, 1991. In addition to the requirements of section  
 3 5(c) of this chapter, a property owner who files a deduction application  
 4 under section 5 of this chapter must provide the county auditor and the  
 5 designating body with information showing the extent to which there  
 6 has been compliance with the statement of benefits approved under  
 7 section 3 of this chapter. This information must be included in the  
 8 deduction application and must also be updated within sixty (60) days  
 9 after the end of each year in which the deduction is applicable.

10 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following  
 11 information is a public record if filed under this section:

- 12 (1) The name and address of the taxpayer.
- 13 (2) The location and description of the property for which the
- 14 deduction was granted.
- 15 (3) Any information concerning the number of employees at the
- 16 property for which the deduction was granted, including estimated
- 17 totals that were provided as part of the statement of benefits.
- 18 (4) Any information concerning the total of the salaries paid to
- 19 those employees, including estimated totals that were provided as
- 20 part of the statement of benefits.
- 21 (5) Any information concerning the assessed value of the
- 22 property, including estimates that were provided as part of the
- 23 statement of benefits.

24 (d) The following information is confidential if filed under this  
 25 section:

- 26 (1) Any information concerning the specific salaries paid to
- 27 individual employees by the property owner.
- 28 (2) Any information concerning the cost of the property.

29 SECTION 12. IC 6-1.1-12.1-5.4 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.4. (a) A person that  
 31 desires to obtain the deduction provided by section 4.5 of this chapter  
 32 **for the installation of new manufacturing equipment, new research**  
 33 **and development equipment, new logistical distribution equipment,**  
 34 **or new information technology equipment** must file a certified  
 35 deduction application on forms prescribed by the department of local  
 36 government finance with the auditor of the county in which the new  
 37 manufacturing equipment, new research and development equipment,  
 38 new logistical distribution equipment, or new information technology  
 39 equipment is located. A person that timely files a personal property  
 40 return under IC 6-1.1-3-7(a) for the year in which the new  
 41 manufacturing equipment, new research and development equipment,  
 42 new logistical distribution equipment, or new information technology

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equipment is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed must file the application between March 1 and the extended due date for that year.

(b) The deduction application required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Proof of the date the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction application with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under ~~section 2-5~~ **section 4.5** of this chapter, the county auditor shall send a copy of the deduction application to the designating body, and the designating body shall adopt a resolution under ~~section 4.5(g)(2)~~ **section 4.5(j)** of this chapter.

(d) A deduction application must be filed under this section in the year in which the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is installed and in each of the immediately succeeding years the deduction is allowed.

(e) Subject to subsection (i), the county auditor shall:

(1) review the deduction application; and

(2) approve, deny, or alter the amount of the deduction.

Upon approval of the deduction application or alteration of the amount of the deduction, the county auditor shall make the deduction. The

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1 county auditor shall notify the county property tax assessment board of  
2 appeals of all deductions approved under this section.

3 (f) If the ownership of new manufacturing equipment, new research  
4 and development equipment, new logistical distribution equipment, or  
5 new information technology equipment changes, the deduction  
6 provided under section 4.5 of this chapter continues to apply to that  
7 equipment if the new owner:

8 (1) continues to use the equipment in compliance with any  
9 standards established under ~~section 2(g)~~ **section 2(b)** of this  
10 chapter; and

11 (2) files the deduction applications required by this section.

12 (g) The amount of the deduction is the percentage under section 4.5  
13 of this chapter that would have applied if the ownership of the property  
14 had not changed multiplied by the assessed value of the equipment for  
15 the year the deduction is claimed by the new owner.

16 (h) A person may appeal the determination of the county auditor  
17 under subsection (e) by filing a complaint in the office of the clerk of  
18 the circuit or superior court not more than forty-five (45) days after the  
19 county auditor gives the person notice of the determination.

20 (i) Before the county auditor acts under subsection (e), the county  
21 auditor may request that the township assessor in which the property is  
22 located review the deduction application.

23 SECTION 13. IC 6-1.1-12.1-5.6 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.6. (a) This subsection  
25 applies to a property owner whose statement of benefits was approved  
26 under section 4.5 of this chapter before July 1, 1991. In addition to the  
27 requirements of ~~section 5.5(b)~~ **section 5.4(b)** of this chapter, a  
28 deduction application filed under ~~section 5.5~~ **section 5.4** of this chapter  
29 must contain information showing the extent to which there has been  
30 compliance with the statement of benefits approved under section 4.5  
31 of this chapter. Failure to comply with a statement of benefits approved  
32 before July 1, 1991, may not be a basis for rejecting a deduction  
33 application.

34 (b) This subsection applies to a property owner whose statement of  
35 benefits was approved under section 4.5 of this chapter after June 30,  
36 1991. In addition to the requirements of ~~section 5.5(b)~~ **section 5.4(b)**  
37 of this chapter, a property owner who files a deduction application  
38 under ~~section 5.5~~ **section 5.4** of this chapter must provide the county  
39 auditor and the designating body with information showing the extent  
40 to which there has been compliance with the statement of benefits  
41 approved under section 4.5 of this chapter.

42 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following

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information is a public record if filed under this section:

(1) The name and address of the taxpayer.

(2) The location and description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the deduction was granted.

(3) Any information concerning the number of employees at the facility where the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is located, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.

(5) Any information concerning the amount of solid waste or hazardous waste converted into energy or other useful products by the new manufacturing equipment.

(6) Any information concerning the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment including estimates that were provided as part of the statement of benefits.

(d) The following information is confidential if filed under this section:

(1) Any information concerning the specific salaries paid to individual employees by the owner of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(2) Any information concerning the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

SECTION 14. IC 6-1.1-12.1-5.9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.9. (a) This section does not apply to

~~(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or~~

~~(2) any other a deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.~~

(b) Not later than forty-five (45) days after receipt of the information

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described in section 5.1 or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3 or 4.5 of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

(1) An explanation of the reasons for the designating body's determination.

(2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:

- (1) the property owner; and
- (2) the county auditor.

The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8,

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the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

(e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.

(f) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

SECTION 15. IC 6-1.1-12.1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) A property owner may not receive a deduction under this chapter for repairs or improvements to real property if ~~he~~ **the property owner** receives a deduction under ~~either~~ IC 6-1.1-12-18, ~~or~~ IC 6-1.1-12-22, **or IC 6-1.1-45** for those same repairs or improvements.

(b) A property owner may not receive a deduction under this chapter if the property owner receives a deduction under IC 6-1.1-12-28.5 for the same property.

SECTION 16. IC 6-1.1-12.1-11.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11.3. (a) This section applies only to the following requirements:

(1) Failure to provide the completed statement of benefits form to the designating body before the hearing required by ~~section 2.5(c)~~ **section 3 or 4.5** of this chapter.

(2) Failure to submit the completed statement of benefits form to the designating body before the initiation of the redevelopment or rehabilitation or the installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter.

~~(3) Failure to designate an area as an economic revitalization area before the initiation of the:~~

~~(A) redevelopment;~~

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(B) installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment; or

(C) rehabilitation;

for which the person desires to claim a deduction under this chapter.

(4) (3) Failure to make the required findings of fact before designating an area as an economic revitalization area or authorizing a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment under section 2, section 3 or 4.5 of this chapter.

(5) (4) Failure to file a:

(A) timely; or

(B) complete;

deduction application under section 5 or 5.4 of this chapter.

(b) This section does not grant a designating body the authority to exempt a person from filing a statement of benefits or exempt a designating body from making findings of fact.

(c) A designating body may by resolution waive noncompliance described under subsection (a) under the terms and conditions specified in the resolution. Before adopting a waiver under this subsection, the designating body shall conduct a public hearing on the waiver.

SECTION 17. IC 6-1.1-12.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) A property owner that has received a deduction under section 3 or 4.5 of this chapter is subject to the provisions of this section if the designating body adopts a resolution **incorporating applying** the provisions of this section **for the economic revitalization area in which the property owner is located: to that deduction.**

(b) If:

(1) the property owner ceases operations at the facility for which the deduction was granted; and

(2) the designating body finds that the property owner obtained the deduction by intentionally providing false information concerning the property owner's plans to continue operations at the facility;

the property owner shall pay the amount determined under subsection (e) to the county treasurer.

(c) A property owner may appeal the designating body's decision under subsection (b) by filing a complaint in the office of the clerk of

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the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined not more than thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is a final determination that may be appealed in the same manner as other civil actions.

(d) If an appeal under subsection (c) is pending, the payment required by this section is not due until after the appeal is finally adjudicated and the property owner's liability for the payment is finally determined.

(e) The county auditor shall determine the amount to be paid by the property owner according to the following formula:

STEP ONE: For each year that the deduction was in effect, determine the additional amount of property taxes that would have been paid by the property owner if the deduction had not been in effect.

STEP TWO: Determine the sum of the STEP ONE amounts.

STEP THREE: Multiply the sum determined under STEP TWO by one and one-tenth (1.1).

(f) The county treasurer shall distribute money paid under this section on a pro rata basis to the general fund of each taxing unit that contains the property that was subject to the deduction. The amount to be distributed to the general fund of each taxing unit shall be determined by the county auditor according to the following formula:

STEP ONE: For each year that the deduction was in effect, determine the additional amount of property taxes that would have been paid by the property owner to the taxing unit if the deduction had not been in effect.

STEP TWO: Determine the sum of the STEP ONE amounts.

STEP THREE: Divide the STEP TWO sum by the sum determined under STEP TWO of subsection (e).

STEP FOUR: Multiply the amount paid by the property owner under subsection (e) by the STEP THREE quotient.

SECTION 18. IC 6-1.1-12.1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) This section does not apply to

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other a deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 2004.

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(b) A property owner that receives a deduction under section 3 or 4.5 of this chapter is subject to this section only if the designating body, with the consent of the property owner, incorporates this section, including the percentage to be applied by the county auditor for purposes of STEP TWO of subsection (c), into its initial approval of the property owner's statement of benefits and deduction at the time of that approval.

(c) During each year in which a property owner's property tax liability is reduced by a deduction granted under this chapter, the property owner shall pay to the county treasurer a fee in an amount determined by the county auditor. The county auditor shall determine the amount of the fee to be paid by the property owner according to the following formula:

STEP ONE: Determine the additional amount of property taxes that would have been paid by the property owner during the year if the deduction had not been in effect.

STEP TWO: Multiply the amount determined under STEP ONE by the percentage determined by the designating body under subsection (b), which may not exceed fifteen percent (15%). The percentage determined by the designating body remains in effect throughout the term of the deduction and may not be changed.

STEP THREE: Determine the lesser of the STEP TWO product or one hundred thousand dollars (\$100,000).

(d) Fees collected under this section must be distributed to one (1) or more public or nonprofit entities established to promote economic development within the corporate limits of the city, town, or county served by the designating body. The designating body shall notify the county auditor of the entities that are to receive distributions under this section and the relative proportions of those distributions. The county auditor shall distribute fees collected under this section in accordance with the designating body's instructions.

(e) If the designating body determines that a property owner has not paid a fee imposed under this section, the designating body may adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

SECTION 19. IC 6-1.1-43-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. This chapter applies to the following economic development incentive programs:

(1) Grants and loans provided by the department of commerce

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under IC 4-4.

(2) Incentives provided in an economic revitalization area under IC 6-1.1-12.1.

(3) Incentives provided under IC 6-3.1-13.

(4) Incentives provided in an airport development zone under IC 8-22-3.5-14.

SECTION 20. IC 6-1.1-45 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 45. Residentially Distressed Areas**

**Sec. 1.** As used in this chapter, "city" means any city in Indiana.

**Sec. 2.** As used in this chapter, "deduction application" means the application filed in accordance with section 20 of this chapter by a property owner who desires to obtain the deduction provided by section 18 of this chapter.

**Sec. 3.** As used in this chapter, "designating body" means the following:

(1) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(2) For a county containing a consolidated city, the metropolitan development commission.

**Sec. 4.** As used in this chapter, "designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as a residentially distressed area.

**Sec. 5.** As used in this chapter, "property" means a building or structure, but does not include land.

**Sec. 6.** As used in this chapter, "redevelopment" means the construction of new structures in residentially distressed areas, either:

(1) on unimproved real estate; or

(2) on real estate upon which a prior existing structure is demolished to allow for a new construction.

**Sec. 7.** As used in this chapter, "rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

**Sec. 8.** As used in this chapter, "town" means any town incorporated under IC 36-5-1.

**Sec. 9. (a)** In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within the designating body's jurisdiction is a residentially distressed area. In order to declare a particular area a residentially

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1 distressed area, the designating body must make the following  
2 findings or the findings described in subsection (b):

3 (1) The area is comprised of parcels that are either  
4 unimproved or contain only one (1) or two (2) family  
5 dwellings or multifamily dwellings designed for up to four (4)  
6 families, including accessory buildings for those dwellings.

7 (2) Any dwellings in the area are not permanently occupied  
8 and are:

9 (A) the subject of an order issued under IC 36-7-9; or

10 (B) evidencing significant building deficiencies.

11 (3) Parcels of property in the area:

12 (A) have been sold and not redeemed under IC 6-1.1-24  
13 and IC 6-1.1-25; or

14 (B) are owned by a unit of local government.

15 However, in a city in a county having a population of more than  
16 two hundred thousand (200,000) but less than three hundred  
17 thousand (300,000), the designating body is only required to make  
18 one (1) of the findings described in this subsection or one (1) of the  
19 findings described in subsection (b).

20 (b) In a county containing a consolidated city or within a city or  
21 town, a designating body that wishes to designate a particular area  
22 a residentially distressed area may make the following findings as  
23 an alternative to the findings described in subsection (a):

24 (1) A significant number of dwelling units within the area are  
25 not permanently occupied or a significant number of parcels  
26 in the area are vacant land.

27 (2) A significant number of dwelling units within the area are:

28 (A) the subject of an order issued under IC 36-7-9; or

29 (B) evidencing significant building deficiencies.

30 (3) The area has experienced a net loss in the number of  
31 dwelling units, as documented by census information, local  
32 building and demolition permits, or certificates of occupancy,  
33 or the area is owned by the state or the United States.

34 (4) The area (plus any areas previously designated under this  
35 subsection) will not exceed ten percent (10%) of the total area  
36 within the designating body's jurisdiction.

37 However, in a city in a county having a population of more than  
38 two hundred thousand (200,000) but less than three hundred  
39 thousand (300,000), the designating body is only required to make  
40 one (1) of the findings described in this subsection as an alternative  
41 to one (1) of the findings described in subsection (a).

42 Sec. 10. A designating body is required to attach the following

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conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period.

Sec. 11. The property tax deduction provided by this chapter is only available within an area that the designating body finds to be a residentially distressed area.

Sec. 12. The designating body may adopt a resolution establishing general standards to be used by the designating body in finding an area to be a residentially distressed area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction.

Sec. 13. A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as a residentially distressed area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

Sec. 14. (a) In declaring an area a residentially distressed area, the designating body may:

(1) limit the period to a certain number of calendar years during which the area shall be so designated;

(2) limit the dollar amount of the deductions that will be allowed; or

(3) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under section 12 of this chapter for allowing deductions under this chapter.

To exercise one (1) or more of these powers a designating body must include this fact in the resolution passed under section 16 of this chapter.

(b) Notwithstanding any other provision of this chapter, if a designating body limits the period during which an area is a residentially distressed area, the limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years provided by sections 16(b) and 18 of this chapter.

Sec. 15. If property located in a residentially distressed area is

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also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), an application for the property tax deduction provided by this chapter may not be approved unless the commission that designated the allocation area adopts a resolution approving the application.

Sec. 16. (a) If a designating body finds that an area in its jurisdiction is a residentially distressed area, it shall either:

- (1) prepare maps and plats that identify the area; or
- (2) prepare a simplified description of the boundaries of the area by describing the area's location in relation to public ways, streams, or otherwise.

(b) After the compilation of the materials described in subsection (a), the designating body shall pass a resolution declaring the area a residentially distressed area. The resolution must contain a description of the affected area and be filed with the county assessor. The resolution may include a determination of the number of years a deduction under section 18 of this chapter is allowed, which may not exceed five (5) years.

(c) After approval of a resolution under subsection (b), the designating body shall do the following:

- (1) Publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1.
- (2) File the following information with each taxing unit that has authority to levy property taxes in the geographic area where the residentially distressed area is located:
  - (A) A copy of the notice required by subdivision (1).
  - (B) A statement containing substantially the same information as a statement of benefits filed with the designating body under section 17 of this chapter before the hearing required by this section.

The notice must state that a description of the affected area is available and can be inspected in the county assessor's office. The notice must also name a date when the designating body will receive and hear all remonstrances and objections from interested persons. The designating body shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. After considering the evidence, the designating body shall take final action determining whether the qualifications for a residentially distressed area have been met and confirming, modifying and confirming, or rescinding the resolution. The

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determination is final except that an appeal may be taken and heard as provided under subsections (d) and (e).

(d) A person who filed a written remonstrance with the designating body under this section and who is aggrieved by the final action taken may, within ten (10) days after the final action, initiate an appeal of the action by filing in the office of the clerk of the circuit or superior court a copy of the order of the designating body and the person's remonstrance against the order, together with the person's bond conditioned to pay the costs of the person's appeal if the appeal is determined against the person. The only ground of appeal that the court may hear is whether the proposed project will meet the qualifications of this chapter. The burden of proof is on the appellant.

(e) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the final action of the designating body or sustain the appeal. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

Sec. 17. (a) An applicant must provide a statement of benefits to the designating body. If the designating body requires information from the applicant for residentially distressed area status for use in making its decision about whether to designate a residentially distressed area, the applicant shall provide the completed statement of benefits form to the designating body before the hearing required by section 16(c) of this chapter. Otherwise, the statement of benefits form must be submitted to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

- (1) A description of the proposed redevelopment or rehabilitation.
- (2) An estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the redevelopment or rehabilitation and an estimate of the annual salaries of these individuals.
- (3) An estimate of the value of the redevelopment or rehabilitation.

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1 With the approval of the designating body, the statement of  
 2 benefits may be incorporated in a designation application.  
 3 Notwithstanding any other law, a statement of benefits is a public  
 4 record that may be inspected and copied under IC 5-14-3-3.

5 (b) The designating body must review the statement of benefits  
 6 required under subsection (a). The designating body shall  
 7 determine whether an area should be designated a residentially  
 8 distressed area or whether a deduction should be allowed, based on  
 9 (and after it has made) the following findings:

10 (1) Whether the estimate of the value of the redevelopment or  
 11 rehabilitation is reasonable for projects of that nature.

12 (2) Whether the estimate of the number of individuals who  
 13 will be employed or whose employment will be retained can  
 14 be reasonably expected to result from the proposed described  
 15 redevelopment or rehabilitation.

16 (3) Whether the estimate of the annual salaries of those  
 17 individuals who will be employed or whose employment will  
 18 be retained can be reasonably expected to result from the  
 19 proposed described redevelopment or rehabilitation.

20 (4) Whether any other benefits about which information was  
 21 requested are benefits that can be reasonably expected to  
 22 result from the proposed described redevelopment or  
 23 rehabilitation.

24 (5) Whether the totality of benefits is sufficient to justify the  
 25 deduction.

26 A designating body may not designate an area a residentially  
 27 distressed area or approve a deduction unless the findings required  
 28 by this subsection are made in the affirmative.

29 Sec. 18. Except as provided in section 17 of this chapter, the  
 30 owner of property that is located in a residentially distressed area  
 31 is entitled to a deduction from the assessed value of the property  
 32 for a period, subject to section 16(b) of this chapter, of not more  
 33 than five (5) years. The owner is entitled to a deduction if:

34 (1) the property has been rehabilitated; or

35 (2) the property is located on real estate that has been  
 36 redeveloped.

37 Sec. 19. Except as provided in section 14 of this chapter, the  
 38 amount of the deduction that a property owner is entitled to  
 39 receive under this chapter for a particular year equals the lesser  
 40 of:

41 (1) the assessed value of the improvement to the property  
 42 after the rehabilitation or redevelopment has occurred; or

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(2) the following amount:

TYPE OF DWELLING	AMOUNT
One (1) family dwelling .....	\$74,880
Two (2) family dwelling .....	\$106,080
Three (3) unit multifamily dwelling .....	\$156,000
Four (4) unit multifamily dwelling .....	\$199,680.

Sec. 20. (a) A property owner who desires to obtain the deduction provided by this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date the notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The deduction application required by this section must contain the following information:

(1) The name of the property owner.

(2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(3) The assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed.

(e) A property owner who desires to obtain the deduction provided by this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year that shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction that would be applicable to those years if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall make the appropriate deduction upon receipt of a deduction application for

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rehabilitation or redevelopment in a residentially distressed area.

(g) The amount and period of the deduction provided for property by this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 12 of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located review the deduction application.

(j) A property owner may appeal the determination of the county auditor under subsection (f) by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the property owner notice of the determination.

Sec. 21. (a) In addition to the requirements of section 20(c) of this chapter, a deduction application filed under section 20 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 17 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction application.

(b) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

(1) The name and address of the taxpayer.

(2) The location and description of the property for which the deduction was granted.

(3) Any information concerning the number of employees at the property for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.

(5) Any information concerning the assessed value of the property, including estimates that were provided as part of the statement of benefits.

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(c) The following information is confidential if filed under this section:

(1) Any information concerning the specific salaries paid to individual employees by the property owner.

(2) Any information concerning the cost of the property.

Sec. 22. Instead of providing the statement of benefits required by section 17 of this chapter and the additional information required by section 21 of this chapter, the designating body may, by resolution, waive the statement of benefits if the designating body finds that the purposes of this chapter are served by allowing the deduction and the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, redeveloped or rehabilitated property at a cost of at least ten million dollars (\$10,000,000) as determined by the assessor of the township in which the property is located.

Sec. 23. A property owner may not receive a deduction under this chapter for repairs or improvements to real property if the property owner receives a deduction under IC 6-1.1-12-18, IC 6-1.1-12-22, or IC 6-1.1-12.1 for the same repairs or improvements.

Sec. 24. (a) Not later than December 31 of each year, the county auditor shall publish the following in a newspaper of general interest and readership and not one of limited subject matter:

(1) A list of the approved deduction applications that were filed under this chapter during that year. The list must contain the following:

(A) The name and address of each person approved for or receiving a deduction that was filed for during the year.

(B) The amount of each deduction that was filed for during the year.

(C) The number of years for which each deduction that was filed for during the year will be available.

(D) The total amount for all deductions that were filed for and granted during the year.

(2) The total amount of all deductions for real property that were in effect under section 17 of this chapter during the year.

(b) The county auditor shall file the information described in subsection (a)(2) with the department of local government finance not later than December 31 of each year.

Sec. 25. On a quadrennial basis, the general assembly shall provide for an evaluation of the provisions of this chapter, giving first priority to using the Indiana economic development council

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established under IC 4-3-14-4. The evaluation must be a fiscal analysis, including an assessment of the effectiveness of the provisions of this chapter to:

- (1) create new jobs;
- (2) increase income; and
- (3) increase the tax base;

in the jurisdiction of the designating body. The fiscal analysis may also consider impacts on tax burdens borne by various classes of property owners. The fiscal analysis may also include a review of the practices and experiences of other states or political subdivisions with laws similar to the provisions of this chapter. The Indiana economic development council established under IC 4-3-14-4 or another entity designated by the general assembly shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives before December 1, 2007, and every fourth year thereafter. The report must be in an electronic format under IC 5-14-6.

Sec. 26. (a) This section applies only to the following requirements:

- (1) Failure to provide the completed statement of benefits form to the designating body before the hearing required by section 16 of this chapter.
- (2) Failure to submit the completed statement of benefits form to the designating body before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter.
- (3) Failure to designate an area as a residentially distressed area before the initiation of the redevelopment or rehabilitation for which the person desires to claim a deduction under this chapter.
- (4) Failure to make the required findings of fact before designating an area as a residentially distressed area under this chapter.
- (5) Failure to file a timely or complete deduction application under section 20 of this chapter.

(b) This section does not grant a designating body the authority to exempt a person from filing a statement of benefits or exempt a designating body from making findings of fact.

(c) A designating body may by resolution waive noncompliance described under subsection (a) under the terms and conditions specified in the resolution. Before adopting a waiver under this

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1 subsection, the designating body shall conduct a public hearing on  
2 the waiver.

3 **Sec. 27. The department of local government finance shall adopt**  
4 **rules under IC 4-22-2 to implement this chapter.**

5 SECTION 21. IC 6-3.1-11-19 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19. The board shall  
7 consider the following factors in evaluating applications filed under  
8 this chapter:

9 (1) The level of distress in the surrounding community caused by  
10 the loss of jobs at the vacant industrial facility.

11 (2) The desirability of the intended use of the vacant industrial  
12 facility under the plan proposed by the municipality or county and  
13 the likelihood that the implementation of the plan will improve the  
14 economic and employment conditions in the surrounding  
15 community.

16 (3) Evidence of support for the designation by residents,  
17 businesses, and private organizations in the surrounding  
18 community.

19 (4) Evidence of a commitment by private or governmental entities  
20 to provide financial assistance in implementing the plan proposed  
21 by the municipality or county, including the application of  
22 IC 36-7-12, IC 36-7-13, IC 36-7-14, or IC 36-7-15.1 to assist in the  
23 financing of improvements or redevelopment activities benefiting  
24 the vacant industrial facility.

25 (5) Evidence of efforts by the municipality or county to implement  
26 the proposed plan without additional financial assistance from the  
27 state.

28 ~~(6) Whether the industrial recovery site is within an economic~~  
29 ~~revitalization area designated under IC 6-1.1-12.1.~~

30 ~~(7)~~ (6) Whether action has been taken by the metropolitan  
31 development commission or the legislative body of the  
32 municipality or county having jurisdiction over the proposed  
33 industrial recovery site to make the property tax credit under  
34 IC 6-1.1-20.7 available to persons owning inventory located within  
35 the industrial recovery site and meeting the other conditions  
36 established by IC 6-1.1-20.7.

37 SECTION 22. IC 6-3.1-11.5-21 IS AMENDED TO READ AS  
38 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. The board shall  
39 consider the following factors in evaluating applications filed under  
40 this chapter:

41 (1) The level of distress in the surrounding community caused by  
42 the loss of jobs at the vacant military base facility.

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(2) The desirability of the intended use of the vacant military base facility under the plan proposed for the development and use of the vacant military base facility and the likelihood that the implementation of the plan will improve the economic and employment conditions in the surrounding community.

(3) Evidence of support for the designation by residents, businesses, and private organizations in the surrounding community.

(4) Evidence of a commitment by private or governmental entities to provide financial assistance in implementing the plan for the development and use of the vacant military base facility, including the application of IC 36-7-12, IC 36-7-13, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, or IC 36-7-30 to assist in the financing of improvements or redevelopment activities benefiting the vacant military base facility.

(5) Evidence of efforts to implement the proposed plan without additional financial assistance from the state.

~~(6) Whether the proposed military base recovery site is within an economic revitalization area designated under IC 6-1.1-12.1.~~

~~(7)~~ (6) Whether action has been taken by the legislative body of the municipality or county having jurisdiction over the proposed military base recovery site to establish an enterprise zone under IC 4-4-6.1-3(g).

SECTION 23. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 6-1.1-12.1-2.5; IC 6-1.1-12.1-4.1; IC 6-1.1-12.1-9.

SECTION 24. [EFFECTIVE JULY 1, 2005] **(a) This act applies only to deductions approved under IC 6-1.1-12.1, as amended by this act, and IC 6-1.1-45, as added by this act.**

**(b) Notwithstanding the amendments to IC 6-1.1-12.1 made by this act, deductions that were approved under IC 6-1.1-12.1 before July 1, 2005, remain in effect after June 30, 2005, according to the provisions of IC 6-1.1-12.1 as they existed on June 30, 2005.**

**(c) Any rules concerning residentially distressed areas adopted by the department of local government finance under IC 6-1.1-12.1-13 remain in effect until replaced or amended by rules adopted under IC 6-1.1-45-27, as added by this act.**

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